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SIPDIS

STATE FOR NP (FENSTERMACHER); EAP/MLS
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SUBJECT: MFA GIVES NOD ON FUEL CONVERSION OF VIETNAM'S RESEARCH REACTOR

THIS CABLE IS SENSITIVE BUT UNCLASSIFIED.

Ref: A) Hanoi 2687 B) Hanoi 2662

¶11. (SBU) Summary. On October 24, 2006, the Department of Energy's National Nuclear Security Administration Assistant Deputy Administrator (ADA) Andrew Bieniawski met separately with Vice Minister of Science and Technology Le Binh Dinh and Assistant Minister of Foreign Affairs Phan Binh Minh to continue engagement with the Government of Vietnam (GVN) for the fuel conversion of Vietnam's research reactor and to reiterate the importance of showing tangible commitment on this issue prior to President Bush's visit in November. Whereas VM Dinh reiterated the Ministry of Science and Technology's (MOST) hopes for continued support from the USG but left the topics of discussion unresolved, the two sides made apparent progress during the meeting with AM Minh and other Ministry of Foreign Affairs (MFA). AM Minh assured ADA Bieniawski that "all options are on the table" regarding nuclear non-proliferation assistance cooperation and that resolution on this issue, along with others, will help ensure that President Bush's visit to Vietnam will be a success. ADA Bieniawski sent a letter to MFA summarizing the proposed nonproliferation projects to AS Minh (septel). End summary.

Meeting with MOST on the Dalat Reactor Conversion

¶12. (SBU) On October 24, 2006, the Department of Energy's National Nuclear Security Administration Assistant Deputy Administrator Andrew Bieniawski met with Vice Minister of Science and Technology Le Dinh Tien to continue engagement with the GVN for the fuel conversion of Vietnam's research reactor and to reiterate the importance of showing tangible commitment on this issue prior to President Bush's visit in November. (Note: Vice Minister Tran Quoc Thang, our usual interlocutor on this issue, was on travel to Korea. End Note.) As reported (reftel A), the Embassy had previously met with MOST to underscore the scientific as well as political importance of moving forward on the fuel conversion project and concluding the two related agreements on nuclear non-proliferation prior to President Bush's visit in November.

¶13. (SBU) ADA Bieniawski highlighted that the purpose of his visit is to secure approval from the GVN on the repatriation to Russia of the fresh high-enriched uranium (HEU) fuel, and that this could possibly be one of several deliverables highlighted in a U.S.-Vietnam joint statement. He emphasized that no USG-GVN government-to-government agreement is needed to swap-out the HEU fuel and converting the reactor to low-enriched uranium (LEU) fuel,

since that work is performed under a trilateral DOE-Russian company-IAEA contract. He provided a detailed presentation of the DOE's Russia Research Reactor Fuel Return (RRRFR) program, stating that DOE has experience with successfully implementing 10 HEU fuel shipments in other countries. Other DOE/NNSA nuclear security activities in Vietnam include: security upgrades to the Dalat reactor facility; a basic ordering agreement signed for training on securing radiological sources and specifically four sites in Vietnam; technical assistance to develop a regulatory framework; and recent training and equipment worth USD 88,000 for orphan source search methods. Finally, ADA Bieniawski offered to commit USD 1 million to purchase 36 LEU replacement fuel assemblies, which would take about six months to produce in Russia.

¶4. (SBU) VM Tien reiterated his support for the RRRFR program. He stated that MOST highly appreciates the support of USG and reiterated hopes that the DOE will continue to support Vietnam's strategy for the peaceful use of nuclear energy. The Vice Minister stated that MOST is currently preparing a proposal to the Office of the Government that will address its three concerns of safety, quality of the LEU fuel and integrity of the Dalat Research Institute's aging reactor. He offered neither a timeline for when the proposal would be submitted nor an indication of when the Office of the Government may provide a decision on the issue.

Meeting with MFA on the Dalat Reactor Conversion

¶5. (SBU) Subsequent to the meeting with MOST, ADA Bieniawski met with Assistant Minister of Foreign Affairs Pham Binh Minh to continue engagement with the GVN for the fuel conversion and reiterate at higher levels within the GVN the importance of showing tangible commitment on this issue prior to President Bush's visit in November. He provided a presentation of the issues noted above in paragraph three, including the offer to commit USD 1 million to

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purchase 36 LEU replacement fuel assemblies.

¶6. (SBU) AM Minh assured ADA Bieniawski that "all options are on the table" regarding nuclear non-proliferation cooperation and that resolution on this issue, along with others, will ensure that President Bush's visit to Vietnam will be a success. MFA personnel were also amenable to ADA Bieniawski's proposal to focus a USG-GVN agreement limited to fuel return activities as an alternative to the broad, nonproliferation assistance agreement (and companion DOE-MOST implementing agreement). (

¶7. (SBU) Despite the fact that the MFA had told us that it considers the latter draft documents to be "too vague," and had previously declined to sign them (reftel B), MFA Acting Director of the Department of International Organizations Le Hoai Trung offered that the two draft agreements might be considered if the cooperative assistance are provided. One of ADA Bieniawski's team, a DOE legal counsel, responded that the draft bilateral agreements were specifically written as broad framework agreements, intended to provide a framework for a broad range of nonproliferation assistance cooperation, with DOE as well as other USG agencies.

Comment

¶8. (SBU) The GVN appears at this time to be unwilling to sign the broad bilateral agreements, which would allow for the transfer of spent fuel assemblies back to Russia. They do, however, appear to be very interested in the replacement of HEU for LEU and fuel conversion activity. Gaining political traction on this issue appears to now rest in the MFA, not the MOST. ADA Bieniawski's offer to provide MFA with a brief summary of his visit and specific details of the USG assistance on the table was well received by MFA senior staff. With this letter (septel), and a scheduled meeting between the Ambassador and continued high-level engagement between the Embassy and the MFA, we believe that the prospects for quick agreement on one or two of the issues at hand is possible.

¶9. (SBU) This cable has been cleared by ADA Bieniawski.

MARINE